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REMARKS

Claims 1-8, 24-25, 38, 40-42, 46, 50-55, 58-59, and 75-79 were pending. All except claims 75, and 77-79 were rejected. Claims 75 and 77-79 were subject to a restriction requirement. By virtue of this response, claims 4, 46, 53, 58, and 59 are cancelled, claims 1, 2, 24, 25, 38, 40, 50, 51, 52, 54, and 55 are amended, and no new claims are added. Claims 75, and 77-79 are withdrawn by virtue of being directed to independent and distinct inventions, where the inventions of other claims were constructively elected by virtue of previous examination on the merits. Accordingly, claims 1-3, 5-8, 24, 25, 38, 40-42, 50-52, 54, 55, and 76 are currently under consideration. Amendment and cancellation of claims relating to any subject matter is not to be construed as dedication or surrender of any such subject matter. No new matter is added by virtue of this response.

For the Examiner's convenience, Applicants' remarks are presented in the same order in which they were raised in the Office Action.

Restriction Requirement

Claims 75, and 77-79 were added with a Request for Continued Examination on December 15, 2005. These claims were said to be directed to inventions distinct from inventions previously presented for examination. As such, a restriction requirement was made and the previously examined claims were constructively elected. Applicants do not traverse. Therefore, claims 75, and 76-79 are withdrawn.

Claim Rejections Under 35 U.S.C. §101

Claims 1-8, 24-25, 38, 40-42, and 46 were rejected under 35 U.S.C. 101 as being allegedly directed to non-statutory subject matter.

The rejection alleges that "logic," as recited in the claims rejected on this basis, is to "mere software per se." (Paper No. 03132006, page 3.) Although Applicants presently disagree that "logic" should presently be construed in this manner, Applicants amend the claims to recite

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“machine logic” to indicate that these recitations are not merely “descriptive material” (*Id.*) but instead may include any of a variety of computer-based implementations.

For example, claim 1 is to an offline-online points system comprising “machine logic operable to provide a user with an interface to submit a code obtainable by the user from an item.” As described at least at pages 13-19, such machine logic may be implemented in any of a variety of ways, which all support the generalization of “machine logic” to include dedicated hardware, computers configured with software, distributed computing, client/server computing, web-based systems, databases and a variety of other systems, software, and devices that those of skill in the art would understand may be used based on the specification and their knowledge.

Applicants therefore respectfully submit that the claims recite statutory subject matter, and respectfully request withdrawal of this rejection.

Claim Rejections Under 35 U.S.C. §103

Claims 1-8, 25, 26, 50, 52-59 and 72-74 are rejected under 35 U.S.C. 103(a) as being unpatentable over Copple et al (6,178,408)

Copple teaches a system and method whereby users can redeem incentive points using on-line bidding for promotional items. The promotional items are offered by a promoter using an online auction technique: “By allowing for the bidding to take place over a fixed amount of time for a fixed number of items, the present invention eliminates the variable inventory costs faced by prior art models. A fixed budget can be established for all promotional items. Some items may capture more redeemable points than expected by the promoter, but this will not affect the inventory cost involved.” (8:30-36.)

The Background describes providing points for promotional activities online.

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Claim 1

Applicants respectfully submit that the combination of Copple and the Background does not teach all the limitations of claim 1 at least because neither Copple nor the Background teach or suggest, in the context of an offline-online points system: machine logic operable to accept items for auction from the users, to accept bids from the users on the items, and to determine which users won items; and machine logic operable to subtract, from respective point balances appropriate quantities of points from users who won items and to credit such quantities of points to the respective point balances of users who submitted such items for auction.

Instead, Copple teaches an incentive points redemption system where items for auction are provided by a centralized promoter, and users may bid on those items offered by auction by the promoter, rather than other users of the system. Copple teaches that the benefit of such a system includes fixing inventory costs and reducing requirements of projecting inventory needs. (i.e., Copple is addressed at a problem inherent to a promoter of an incentive redemption program.) (See 2:60-3:20.)

Because the cited combination does not teach or suggest the combination recited in claim 1, Applicants respectfully submit that claim 1 is non-obvious and patentable over this combination and request withdrawal of the rejection against it.

Applicants also request withdrawal of the rejections of claims dependent from claim 1, at least because they benefit from the distinctions described with respect to claim 1, above.

Claim 38

Applicants respectfully submit that the combination of Copple and the Background do not teach or suggest all the limitations of claim 38. Copple teaches that "promoters of different retail goods or services could collaborate in allowing points gathered from different promotional

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programs to be redeemed centrally through one embodiment of the invention.” (4:20-24.) However, Copple does not teach or suggest that an item at auction, which users may bid on with points, is provided by a business other than a business operating the auction service itself. Copple and the Background also do not teach a distinction between purchase and attention incentive points, including a distinction between the values thereof.

Applicants also request withdrawal of the rejections of claims dependent from claim 38, at least because they benefit from the distinctions described with respect to claim 38, above.

Claim 50

Applicants respectfully submit that Copple and the Background do not teach or suggest all the limitations of claim 50 at least because Copple and the Background do not teach or suggest crediting points to users, accepting items for auction from the users, accepting bids on those items from the users, and subtracting/adding points to accounts of winners/auctioners of such items. Instead, Copple teaches a system where users may bid on items provided by an entity that controls the system: “The present invention comprises methods for redeeming collectible points that eliminate variable inventory costs and the need to project future inventory levels... New promotional items are periodically introduced based on consumer preference responses to past items and to test consumer response to new items.” (2:61-3:17). Applicants therefore submit that claim 50 is non-obvious over the combination of Copple and the Background.

Applicants also request withdrawal of the rejections of claims dependent from claim 50, at least because they benefit from the distinctions described with respect to claim 50, above.

Claim 76

Applicants respectfully submit that the combination of Copple and the Background does not teach or suggest all the limitations of claim 76. For example, Copple teaches that merchants may

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issue points that may be redeemed at another merchant, but Copple does not teach that a merchant may obtain points in exchange for advertising revenue and web traffic, where those points may then be provided as an incentive to users. Further the concept of providing a system where points, redeemable at a central location, may be obtained both at a web site of a provider of the points and at web sites of merchants is also not taught or suggested by the cited combination. Applicants therefore respectfully submit that claim 76 recites a non-obvious combination over Copple and the Background.

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CONCLUSION

In view of the above, each of the presently pending claims in this application is believed to be in immediate condition for allowance. Accordingly, the Examiner is respectfully requested to withdraw the outstanding rejection of the claims and to pass this application to issue. If it is determined that a telephone conference would expedite the prosecution of this application, the Examiner is invited to telephone the undersigned at the number given below.

In the event the U.S. Patent and Trademark office determines that an extension and/or other relief is required, applicant petitions for any required relief including extensions of time and authorizes the Commissioner to charge the cost of such petitions and/or other fees due in connection with the filing of this document to Deposit Account No. 03-1952 referencing docket no. 324212003100. However, the Commissioner is not authorized to charge the cost of the issue fee to the Deposit Account.

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Respectfully submitted,

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